

Morning Energy, powered by America's Natural Gas Alliance: Romney teases energy plan - SEC to vote on oil, mining disclosure rule - Reuters: Solyndra plant sold - Rahall challenger to talk 'war on coal' in Tampa - Wyden hits up Alaska

POLITICO Pro Energy to: Arvin Ganesan

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By Alex Guillen | 8/22/12 5:47 AM EDT

With help from Darius Dixon and David Saleh Rauf

ROMNEY TEASES ENERGY PLAN: Mitt Romney will outline a "comprehensive energy plan" later this week, he said Tuesday at a Houston fundraiser. "We will be, I believe, before the end of this week in New Mexico describing a comprehensive energy plan, particularly as it relates to fossil-based fuels. I know that we have members of the media here right now, so I'm not going to go through that in great detail so I can save a bit of that until a little later in the week," Romney told the attendees of the \$50,000-per-ticket event. "But your input is something I wanted to retain before we actually cross the T's and dot the I's on those policies." Romney is scheduled to be in Hobbs, N.M., on Thursday.

Since Romney left your morning host and the rest of the media in the lurch, drop ME a line if you know what's in the plan.

PREVIEW OF THINGS TO COME? Romney reiterated his "all of the above" energy policy at another fundraiser at the Petroleum Club in Midland, Texas, last night. "Oil, coal, gas, nuclear, renewables — it's all of the above, and in a serious way," he said. "And inexpensive, abundant energy will not only create energy jobs like you have here, but also manufacturing and other sectors that use energy will come back to America."

JUST CALL HIM HORATIO ALGER: Romney also repeated one of his favorite stories, about Harold Hamm, Romney's top energy adviser and the CEO of Continental Resources, and Hamm's rags-to-riches Bakken oil story. "Ten years, saves his money from driving a truck to go to college gets a degree in geology, ultimately looks at maps of the United States and concludes there must be energy in North Dakota, goes up there and drills a dry hole," Romney said yesterday, repeating a yarn he often spins at fundraisers. "They stopped calling it Harold's folly because he hit black gold. ... Extraordinary story. And Harold, I'm sure you're doing fine now, right? Yeah." Hamm was on the dais at the event, alongside ExxonMobil CEO Rex Tillerson, Kinder Morgan Chairman and CEO Richard Kinder and Sen. Rob Portman (R-Ohio).

MITT ROMNEY SLEPT HERE: The GOP candidate spent the night at the home of Miles Boldrick in Midland, according to the campaign. Boldrick owns the Statewide Minerals Company.

HAPPY WEDNESDAY and welcome to Morning Energy, where we're sad to hear the only reality show your morning host has cared to watch, "Work of Art," has been canceled. What are we supposed to watch now, CNN? Send your viewing suggestions — and energy news — to aguillen@politico.com, and follow @alexcguillen, @POLITICOPro and @Morning Energy.

IN CASE YOU MISSED IT: The U.S. Court of Appeals for the D.C. Circuit rejected EPA's Cross-State Air Pollution Rule yesterday, and it got the energy and environmental world pretty whipped up. Erica Martinson rounded up reaction from opponents of the EPA rule (Sen. Jim Inhofe (R-Okla.), said the ruling shows that "the Obama-EPA continues to exceed its authority and is living up to its 'reputation for abuse'"): http://politico.pro/O2cZsF. And greens are hoping an appeal can rely on the court's dissenting opinion: http://politico.pro/PbNeHh

SEC TO VOTE ON OIL, MINING DISCLOSURE RULE: The SEC meets today to vote on several final Dodd-Frank rules, and the energy sector is closely watching whether the agency will require U.S. oil and mining firms to disclose payments to foreign governments for permitting activities. While welcomed by activists for increasing transparency, Section 1504, as the regulation is called, "may favor a draconian approach that would irreparably harm U.S. oil and natural-gas companies," American Petroleum Institute President and CEO Jack Gerard wrote last week in The Wall Street Journal (http://on.wsj.com/Pp0CKp). Depending on the final rule voted on today, privately held companies may have to reveal sensitive business information, according to Gerard — an argument proponents of the rule reject, saying not enough will be disclosed to get detailed information. Reuters has more on the rule: http://reut.rs/NXu07x

REGULATOR ALSO MOVES ON CONFLICT MINERALS: The SEC will also likely pass a rule requiring publicly traded companies to disclose whether their products are sourced with a group of four minerals from Congo — the same minerals helping fund warlords throughout the region. The four metals — tantalum, tungsten, tin and gold — are staples in millions of products. The rule was supposed to be settled more than a year ago but has been held up because of issues over complexity, industry lobbying and the potential for a court quashing the rule. The vote is set for 10 a.m. at SEC headquarters.

REPORT: SOLYNDRA PLANT SOLD: Reuters reports: "Seagate Technology PLC, maker of hard drives and storage devices, has reached an agreement to buy the former manufacturing plant and headquarters building of bankrupt Solyndra LLC, which was financed by a controversial government loan, a source familiar with the deal said. ... Solyndra's facilities could benefit a company that needs an ultra-clean environment such as makers of semiconductors or disc drives." Reuters: http://reut.rs/NE1blK

** A message from America's Natural Gas Alliance: The safe and responsible development of natural gas supports more than 2.8 million jobs across the country. Curious what the economic benefit is for your state? Find out by using our new interactive U.S. map at www.anga.us/jobs. **

RAHALL CHALLENGER TO TALK 'WAR ON COAL' IN TAMPA: Rick Snuffer, the Republican state lawmaker running to unseat Rep. Nick Rahall (D-W.Va.), will speak about the Obama administration's "war on coal" at the Republican National Convention in Tampa on Monday night, according to his campaign. "In West Virginia, coal is our economic engine. Coal mining is vitally important to families in West Virginia and families from many states throughout the country," Snuffer said in a statement. "We must do all we can

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to stop the burdensome regulations that are slowly bringing our state's economic engine to a crawl."

RAHALL CAMPAIGNING ON THE RAILS: Rahall, meanwhile, is working to overcome constituents' dislike for President Barack Obama and his environmental policies by touting seniority in Congress, money directed to his district and points of disagreement with the White House. It worked before, as Rahall fought off former judge Spike Maynard at the crest of the tea party tide in 2010 — Rahall's closest race since 1990 — but it's a presidential election year, and the GOP is eyeing Rahall's seat as a pick-up. Burgess Everett has more for Pros: http://politico.pro/PBiFLN

WYDEN HITS UP THE LAST FRONTIER: Sen. Ron Wyden of Oregon will fly north to Alaska this weekend and early next week for an energy-focused trip with Sens. Lisa Murkowski — the top Republican on the Energy and Natural Resources Committee — and Mark Begich. Wyden's itinerary with Murkowski includes visits to a renewable energy fair, a geothermal facility, a liquefied natural gas facility and an offshore oil and gas platform in Cook Inlet. On Tuesday, Wyden stops by Anchorage's Campbell Creek Estuary with Begich and U.S. Fish and Wildlife Service Director Dan Ashe, and on Wednesday Wyden and Begich host a forum on tax reform and global finance.

WHAT A LONG STRANGE TRIP IT'S BEEN: The Alaska junket is hardly Wyden's first high-profile energy trip as he prepares to take over as top Democrat on the Energy and Natural Resources Committee. Last year, Murkowski toured an Oregon solar manufacturing plant with Wyden, and in June, Wyden and Murkowski visited West Virginia for an energy tour. Wyden also traveled to Fukushima to check out the damaged nuclear plant there in April, the first member of Congress to visit the site since the accident, according to his office.

ANGA TO PROVIDE NAT GAS BUSES FOR CONVENTIONS: America's Natural Gas Alliance will announce today that it is providing 12 compressed natural gas shuttle buses for the Republican National Convention in Tampa next week and the Democratic National Convention in Charlotte in the following week. "We're delighted that these 12 natural gas vehicles — what we call 'the Clean Dozen' — will be part of our convention," RNC official William Harris said. "Energy independence is critical to Mitt Romney's vision of a better future for all Americans, which is what this convention is all about."

BARRASSO SAILS THROUGH PRIMARY: Sorry, primary watchers, no Stearns-Yoho surprise again this week. Sen. John Barrasso (R-Wyo.) handily held on to his party's nomination against two challengers. He'll likely face Democrat Tim Chesnut in November. Casper Star-Tribune: http://bit.ly/MLK2VC

NO WRONGDOING IN DISCUSSING HIRING DECISIONS, DOE IG SAYS: The Energy Department inspector general says "it did not appear" that a manager in the Nuclear Energy Office flouted federal regulations by discussing the hiring decisions of a contractor, according to a report released yesterday. The DOE IG didn't offer any formal recommendations to DOE management and noted that discussions between DOE and its contractors about hiring "was not an uncommon practice." The report: http://l.usa.gov/O30hxw

GROUPS BRISTLE OVER TSCA BILL: A bill updating the Toxic Substances Control Act and passed by the Environment and Public Works Committee last month doesn't "reflect the input of the Republican senators or many of the stakeholders on all the very complex issues involved in TSCA," more than 60 trade groups, including the American Chemistry Council, American Fuel and Petrochemical Manufacturers and the National Association of Manufacturers, wrote to senators yesterday. The letter: http://politico.pro/TSVqiW

EID HAS SUGGESTIONS FOR 'GASLAND' FOLLOW-UP: "Gasland" director Josh Fox's upcoming sequel should include EPA's conclusion that Dimock, Pa., water "did not indicate levels of contaminants that would give EPA reason to take further action," the EIA's report attributing a decline in CO2 emissions "in no small part to the increased use of natural gas" and other points, wrote Lee Fuller, executive director of Energy in Depth, a gas industry publication. The letter to Fox: http://politico.pro/PE3ROg

ME HOPES NO ONE CORKED THE BAT: David Mann of Holland & Knight emails ME about Tuesday's softball championships in the environmental groups' "Green League." "The Alliance to Save Energy Killer Watts beat out the NWF Scrubjays in a rain-soaked battle for their second year in a row, holding the beer pitcher trophy." (Mann plays on the ASE team.)

THAT ONE'S ON ME: Yesterday's ME mistakenly said that so far this year Koch PAC had disbursed \$1.103 billion and the combined PACs of ExxonMobil, ConocoPhillips, BP and Shell \$1.076 billion. Those numbers should be \$1.103 million and \$1.076 million, respectively.

QUICK HITS

- Citing the looming expiration of the wind production tax credit, manufacturer Vestas is laying off 30 workers at a Brighton, Colo., facility just a week after laying off 90 workers at a Pueblo, Colo., plant. Bloomberg: http://bloom.bg/MK2Cxu
- State regulators have approved Cabot Oil & Gas to resume fracking near Dimock, Pa., though drilling is still on hold. Scranton Times-Tribune: http://bit.ly/RdT5iW
- Reporters on the campaign trail are starting to complain about the lack of climate change talk. Columbia Journalism Review: http://bit.ly/MLgsQ6
- The New York Times looks at the state's fracking ad wars: http://nyti.ms/O2PHD3
- A federal appeals court says Fish & Wildlife correctly issued rules giving oil companies some legal protections if polar bears or walruses are harmed in the Chukchi Sea. AP: http://bit.ly/OOxCIp
- A 2002 George W. Bush administration goal to reduce greenhouse gas emissions by 18 percent by 2012 has roughly been met. The Washington Post's Capital Weather Gang: http://wapo.st/OWe0aZ

THAT'S ALL FOR ME. Be bold! Be brave! Be amazing!

** A message from America's Natural Gas Alliance: We believe in a clean energy future. Natural gas is a cleaner energy choice and a key partner to solar and wind technologies. From California to Florida, natural gas facilities are working with renewable energy to

ensure steady, affordable and cleaner energy choices for communities across our nation. Because it is an abundant and affordable energy source available right here in America, natural gas can help make the promise of cleaner energy a reality in more American communities. Natural gas is smarter power today. Visit anga.us to learn more. **

Stories from POLITICO Pro

EPA opponents hail court's CSAPR rejection

Greens look to dissent for CSAPR vindication

Rahall fighting the party line in West Virginia

EPA opponents hail court's CSAPR rejection back

By Erica Martinson | 8/21/12 4:27 PM EDT

Industry players and some states are hailing Tuesday's federal court rejection of EPA's Cross-State Air Pollution Rule.

A panel of the U.S. Court of Appeals for the D.C. Circuit struck down CSAPR and the agency's "federal implementation plans" in a 2-1 <u>ruling</u> in EME Homer City Generation, L.P v. EPA, saying the regulation demonstrated an overreach of federal authority.

"Vindicating the state's objections to EPA's aggressive and lawless approach, today's decision is an important victory for federalism and a rebuke to a federal bureaucracy run amok," said Texas Attorney General Greg Abbott. EPA had included Texas as an "upwind" polluting state in the final version of the rule, though it had not been included in the agency's initial proposal.

Pro-industry lawmakers, including Sens. Rand Paul (R-Ky.) and Joe Manchin (D-W.Va.) and several members of the House Energy and Commerce Committee, also lauded the ruling.

In November, Paul led an unsuccessful Senate effort to roll back the rule. He said Tuesday that he will "continue to use the resources at [his] disposal to fight against an out-of-control EPA overreach into the rights of states and the lives of citizens."

EPA's No. 1 antagonizer in the Senate, Jim Inhofe (R-Okla.), said the ruling shows that "the Obama-EPA continues to exceed its authority and is living up to its 'reputation for abuse."

"With CSAPR, EPA moved too far too fast, setting unrealistic deadlines for states to meet its stringent requirements," Inhofe said in a statement, adding that "the agency also pushed ahead without any regard for the fact that states were intended to play the primary role in reducing emissions."

CSAPR had mandated pollution reductions in 28 "upwind" states that the EPA says contribute to "downwind" states air quality problems. It would have accomplished the reductions primarily by limiting emissions of sulfur dioxide and nitrogen oxides from coal and natural gas-fired power plants.

In addition to Texas, nearly 50 plaintiffs, including utilities, labor unions, trade associations and 14 states, had asked the court to review CSAPR, a regulation that is often called the "Transport Rule."

But nine "upwind" states and the District of Columbia, which stood to benefit from the pollution cuts, supported EPA. So did environmental and public health groups.

Some EPA supporters implored the Obama administration to seek a rehearing in front of the full appellate court.

"Americans have been waiting for the clean air they deserve for decades and the court's ruling today further delays the Clean Air Act's promise of safe, breathable air for our children," the Sierra Club said in a statement. It added that "the rule would have prevented as many as 34,000 premature deaths annually, avoided 19,000 hospital and emergency room visits, and improved the lives of millions."

The Natural Resources Defense Council predicted that "absent this decision being overturned, it will take years for EPA to adopt replacement health safeguards that all three judges recognize to be necessary and required by law."

Sen. Tom Carper (D-Del.), noted that the decision was "the second time the courts have thrown out the Environmental Protection Agency's attempt to deal with interstate air pollution." He was referring to the court's 2008 decision to strike down the Bush administration's Clean Air Interstate Rule.

Carper said that as chairman of the Senate Clean Air and Nuclear Safety Subcommittee, "I will be working with this administration, the impacted states and my colleagues to ensure we find a swift solution to ensure all states do their fair share to clean up our air if that appeal is not successful."

It's probably up to Congress to settle the issue, said Jeff Holmstead, a former EPA air director who was chief author of the Bush administration's 2005 iteration of the rule, which the court again said should stay in place until a new version is on the books. He said that's especially true if the court later strikes down the EPA's Mercury and Air Toxics Standards on coal-burning power plants, which is in the early stages of a challenge.

Holmstead said pressure will come down on lawmakers like Carper to help downwind states and those like Inhofe to help power plants get regulatory certainty. "That may kind of force people to come together and talk about a middle-of-the-road solution here that everybody could live with," he said.

He said the 2005 rule needs to be updated after the courts in 2008 "pulled the rug out" from under its mechanism for distributing emission allowances for sulfur dioxide.

"Congress would need to fix that or EPA would make another run at it," Holmstead said. "But that would be a challenge."

Holmstead also doubted that the U.S. solicitor general's office would be interested in appealing Tuesday's decision to the Supreme

Court, saying the rule's significance doesn't warrant that action. "This is not like Massachusetts v. EPA," he said, citing the Supreme Court's landmark 2007 climate change ruling.

In Tuesday's decision, Judges Brett Kavanaugh and Thomas Griffith said EPA had sought to impose federally decided plans to meet the Cross-State rule without allowing states to come up with plans themselves. That contravenes the intent of Congress, the judges said.

With CSAPR, EPA was trying to implement the Clean Air Act goal of identifying and limiting pollution that comes from some states and affects other states. That's a federal job because states can hardly be expected to act against their own financial interests to protect the air of other states.

"But EPA then imposed restrictions based on region wide air quality modeling projections," which means upwind states might be required to reduce emissions by more than the amount of pollution they send to states downwind, the opinion says. The judges added that "EPA's authority to force reductions on upwind states ends at the point where the affected downwind state achieves attainment."

The judges also rebuked EPA for deciding to broadly reject state pollution cleanup plans and create federal implementation plans in their stead.

The "EPA made all of those findings before it told the states what emissions reductions their [cleanup plans] were supposed to achieve," the opinion says. "Yet EPA now encourages us to suspend disbelief and conclude that under the statute, a State's only chance to avoid [federal takeover of their plans] is to make a successful stab in the dark — a feat that not one Transport Rule State managed to accomplish."

Darren Goode contributed to this report.back

Greens look to dissent for CSAPR vindication back

By Erica Martinson | 8/21/12 5:05 PM EDT

Greens are hoping to regain their footing on air pollution after Tuesday's federal court rejection of the Cross-State Air Pollution Rule, seizing on Judge Judith Rogers's dissent.

"The EPA can — and should — immediately appeal this decision," said John Walke, senior attorney and director of the Natural Resources Defense Council's Clean Air Program, following the 2-1 decision.

Walke had been cautiously optimistic after oral arguments in April, saying at the time that it "could have been a bloodbath for EPA."

But that optimism was for naught. The majority of the court got it wrong, Walke told POLITICO. But the "dissenting judge correctly follows the Clean Air Act and prior rulings by this court. The majority opinion is an outlier at odds with the court's own rulings as well as the Clean Air Act," he said in a statement.

"Obviously it's a disappointing decision," said Janice Nolen, assistant vice president for national policy and advocacy at the American Lung Association. "We felt that EPA had built a very strong case and the fact that one judge agreed with us on the panel says a lot.

"I think they should appeal it, frankly. I think this decision is bad," Nolen said. "It has taken us four years to get to this point. Frankly, I think it's worth fighting."

Frank O'Donnell, president of Clean Air Watch, said the administration's options include appealing to the full Court of Appeals or to the Supreme Court — and "either, or both, might be worth a shot given the stakes for breathers are so big.

"However, the EPA also should be taking a look at alternative strategies to reduce interstate pollution," he said. Asked to elaborate, he said, "Get the lawyers together and figure out how to write an interstate rule that will stand up in court."

Mary Anne Hitt, director of Sierra Club's Beyond Coal campaign, also urged EPA to petition for a re-hearing. The Sierra Club joined NRDC, Environmental Defense Fund, Clean Air Task Force, the American Lung Association and about a dozen states and cities in defending EPA in the case. They squared off against about 50 companies, trade associations, states and cities opposed to the agency's pollution limits.

The 2-1 decision gave greens grist for hope: Rogers's dissent said her colleagues' decision went well beyond the court's authority for review, and that they had allowed states and industry to raise issues outside the court's reasonable scope of authority.

Rogers argues that the regulations are the end result of decades of congressional, administrative and judicial efforts surrounding significant public health protections. Legislative history shows "Congress's frustration with the upwind states' historic failure to take effective action on their own to curtail their contributions to problems of pollution in downwind states, leading to amendments to strengthen EPA's hand," she said.

But the court's majority ruling ignores that and "decades of precedent," and "proceeds to do violence to the plain text of the [Clean Air Act] and EPA's permissible interpretations" of the act, Rogers said.

And while the majority opinion slaps at EPA for releasing federal implementation plans at the same time as the final Cross-State rule, Rogers said EPA had made its expectations for states to turn in adequate pollution control plans long before it finalized the rule. States just declined to listen, she said.

The majority opinion also says EPA is requiring steeper cuts to emissions than is warranted, but environmentalists argue that the rule was based entirely on outdated 1997 ozone air-quality standards that the Bush EPA tightened — acknowledging they were too weak — in 2008. "The fact that the court is saying we're trying too hard to meet that standard that's woefully out of date is hard for me to understand," Nolen said.

EPA is now trying to implement the stricter, Bush-era 2008 ozone standard, while working on a potentially more stringent ozone rule that may be completed in 2014. But neither one of those stricter versions would be likely to serve as the basis for any CSAPR replacement that EPA rushes to implement, Nolen said.

Using the updated 2008 ozone standards in a new version of the rule could happen. But "that would assume that EPA was going to take several years" to rewrite the rule. "So it's not likely," Nolen said.

CSAPR exists by no means in a vacuum, and a variety of EPA rules could affect the final product if Tuesday's decision stands.

For instance, analysts with Clearview Energy Partners, including Christi Tezak and Kevin Book, said in a breakdown of the ruling that another power plant rule could greatly limit the impact of a rewritten CSAPR. Given the requirements of EPA's Mercury and Air Toxics Standards for power plants that the agency finalized in December "and the revisions required by the Court, any future rule addressing interstate transport of SO2 and NOX may have minimal regulatory impact," the analysts said.

"Put another way, by the time the EPA finishes a new rule [or future court proceedings conclude], the final outcome may not matter because MATS retirements will be well underway," they said.

Clearview analysts also note that the court clearly doesn't think the 2008 Bush-era version of the transport rule is a worthy final product.

The majority opinion says the prior rule must remain in effect "pending the promulgation of a valid replacement," the analysts said.

"Irrespective of November political outcomes, [Judge Brett] Kavanaugh's assessment of 'validity' isn't likely to change during the next several years. In other words: EPA's next attempt may not look much like CSAPR does today." back

Rahall fighting the party line in West Virginia back

By Burgess Everett | 8/21/12 6:02 PM EDT

How does a Democrat win where the president is detested and the party's environmental platform is seen as anathema to the success of the state's economy?

The answer, if you're West Virginia Rep. Nick Rahall, is to emphasize your seniority on the House Transportation and Infrastructure Committee, tout money you've brought home over 36 years in Congress and highlight a laundry list of issues where you break with President Barack Obama.

It's worked before, as Rahall fought off former judge Spike Maynard at the crest of the tea party tide in 2010 — Rahall's closest race since 1990. In a presidential year, Republicans are licking their chops at the possibility of knocking off one of the longest-serving congressional Democrats. They think they have the right candidate in a more seasoned state Del. Rick Snuffer — who lost to Rahall eight years ago — and the right game plan to beat Rahall by tying him to the president.

"This Congress he's trying to reinvent himself," Snuffer said of Rahall. "He's married to the president."

The NRCC also is attempting to shackle Rahall with a closeness to Obama and revive old wounds of Rahall's endorsement of Obama over Hillary Clinton in 2008 — a move that still stings where the Obama administration's moves to cut pollution are deemed a war on coal in a state the produces 10 percent of the nation's primary power source.

"The agenda that President Obama, the EPA, the Senate and Nick Rahall have all pushed is now in direct opposition to the success of West Virginia," said NRCC Chairman Pete Sessions (R-Texas).

Rahall says that's balderdash. In an interview in his Capitol Hill office, he ticked off six positions he differs on with the president.

"Look at the record. I oppose what he's doing to our coal people, I oppose him on the gay marriage issue, I oppose him on abortion, I oppose him on gun control, I've opposed him on the trade pacts," Rahall said, as an aide noted the lawmaker's vote to hold Attorney General Eric Holder in contempt. "They're just not looking at the facts. The people in West Virginia do look at the facts when these accusations are made falsely."

He said he is a proud Democrat — though he has decided, along with Sen. Joe Manchin (D-W.Va.) and other nervous Democrats up for reelection this year, to skip the party's national convention in Charlotte, N.C.

Asked what it means to be a West Virginia Democrat, Rahall said: "It's not the best of times, I'll have to say. But I love my party. I'm not going to turn my back on my party. It's who brought me to the dance and I don't forget that."

Rahall plays up what he's done as the top Democrat on the committee, procuring millions for downtown intermodal transportation hubs and highlighting new roads that weave through the Appalachian peaks of his southern West Virginia — all job creators. He isn't shy about promoting the possibility that he could be one of the House's most powerful lawmakers if the chamber flips control in November and he becomes chairman. But even in the minority, Rahall's committee work is a focal point of his campaign.

"My seniority on the Transportation and Infrastructure Committee has produced highly positive results for my district from one end to the other," he said. "That has occurred whether Democrats have been in control or whether Republicans have been in control."

Democratic voter registration numbers nearly double those of Republicans in West Virginia, yet the state nearly chose an imprisoned felon over Obama during the Democratic primary. To locals, the idea of an independent thinking Democrat is just how West Virginia rolls.

"There's three parties in the United States: Republican, Democratic and West Virginia Democrat," said Robert Rupp, a professor of political history at West Virginia Wesleyan College.

The state has the worst economic confidence numbers in the country and is also one of the more conservative and least moderate places in the country, according to <u>Gallup polling numbers</u>, which indicate a 58 percent disapproval rate for Obama, the sixth-highest in the country. But Rahall is a known commodity in the state, which respects his seniority and push for transportation, tourism and technology to gradually take coal's place in the economy.

"The voters in the 3rd District have been very loyal to Rahall and he has been very good to them," Rupp said, noting the election is essentially a choice between supporting Rahall and opposing Obama. "Do they send back to Washington a longtime conservative Democrat or do they send a message to the president?"

Republicans are banking on the latter, stuffing Snuffer's cash stash with \$211,000 in the first six months of the year, designating him as an NRCC Young Gun and sending him to the GOP convention to speak about "stopping the war on coal." The Democratic Congressional Campaign Committee points out that much of his money comes from D.C., including \$2,000 from Speaker John Boehner's campaign and \$1,000 donations from freshman members eager for Snuffer to join them in Congress.

It might not be enough. Rahall had nearly \$1 million on hand at the beginning of the summer and is staffing up his campaign in earnest after a quiet few months to the race, hiring a campaign manager and buying up ad time. He again has the backing of the United Mine Workers of America Power PAC, which poured nearly \$200,000 into his 2010 campaign to help beat off eye-popping Republican-aligned outside spending like \$300,000 from Americans for Tax Reform. UMWA spokesman Phil Smith said his organization stands at the ready again.

"We support Rep. Rahall 100 percent and we'll do whatever we can do help him win reelection," Smith said. "There is no stronger supporter of mineworkers and the coal industry."

Rahall is the only Democratic House member from West Virginia, but the party controls both the state's Senate seats. Manchin, up for reelection this cycle, said Rahall's infrastructure focus combined with a sensibility for West Virginia Democratic viewpoints make him a strong voice.

"To replace what Nick Joe Rahall has brought and continues to bring to West Virginia would be almost impossible," Manchin said.

Sen. Jay Rockefeller, up in 2014, was more confident.

"Nick Rahall, if he tried, couldn't lose," Rockefeller told POLITICO. "The guy's got a tremendous amount of seniority and power that relates directly to West Virginia. In West Virginia that matters."

Snuffer uses some typical lines from the GOP takeover playbook, including citing Affordable Care Act repeal as his "No. 1" goal. But he also has specific criticisms of Rahall on the transportation committee, which Snuffer hopes to serve on. Snuffer said Rahall over inflates his importance in Congress.

"He likes to talk about his clout on the transportation committee," Snuffer said. "I'm not seeing any results."

Snuffer is not an ideologue and presents himself as eager to work across the aisle. Rahall isn't buying it and said Snuffer's support from the House's "right-wing, tea party leadership" doesn't compute with bipartisan representation, which Rahall said his district already has. Rahall noted specifically his work with freshman Rep. David McKinley (R-W.Va.) on fighting EPA "overreach."

"On coal, he's in our camp. He seems to be in opposition to the Obama administration," McKinley agreed in an interview.

Perhaps the strongest argument for Rahall's prospects right now is internal polling that shows him with a 62 percent to 34 percent lead over Snuffer as of late July, nearly an identical margin to the final tally in their 2004 matchup. Snuffer insists he has polling that shows otherwise, writing in an email to POLITICO that "our internals are the reason [Majority] Leader [Eric] Cantor and his team put us in the 'Young Gun' top tier."

"We've got some polling out there that shows there's a path to victory for Snuffer," agreed Nat Sillin, an NRCC spokesman.

Both Snuffer and the NRCC were unwilling to share the poll results with POLITICO.back

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